



The Secretary of Energy
Washington, DC 20585

April 21, 1999

MEMORANDUM FOR HEADS OF DEPARTMENTAL ELEMENTS

FROM: THE SECRETARY /S/

SUBJECT: Changes to the Departmental Management Structure.

On February 8, 1999, I initiated a Management Review of the Department's headquarters and field relationships. This review was intended to identify opportunities for improving how we manage across a set of issues including roles and responsibility, authority, accountability and reporting. This review relied on previous management studies and reports as well as interviews with a broad range of individuals, internal and external, with first-hand knowledge of the Department. The Report made a number of recommendations and I have approved them. These recommendations are summarized in this memorandum and the full Report is attached to provide further detail and guidance.

1. The Department shall adopt a Lead Program Secretarial Office (LPSO) concept for field office reporting. Each field office will now report to one LPSO. The LPSO will be responsible for the institutional health and long-term planning at assigned sites, for landlord activities, and have accountability for overall site integration and operations. Recognizing that most field sites are multi-program, the LPSOs have overall line accountability for site-wide environment, safety and health, for safeguards and security and for the implementation of policy promulgated by headquarters staff and support functions. The designated LPSOs are Defense Programs, Science, and Environmental Management, as well as those Offices currently assigned Special Purpose Offices. The eleven field offices, ten of which currently report programmatically to the line programs and corporately to the Office of Field Management, will now report directly to the LPSOs as follows:

Defense Programs	Albuquerque Operations Office Nevada Operations Office
Science	Chicago Operations Office Oakland Operations Office Oak Ridge Operations Office
Environmental Management	Richland Operations Office Savannah River Operations Office Idaho Operations Office Rocky Flats Field Office Ohio Field Office Office of River Protection

Each of these three Lead Program Secretarial Offices will establish a Principal Deputy for Operations, preferably with prior field experience, who will be responsible for assisting the Secretarial Officer in managing the additional operational functions and activities. The LPSOs shall rely on their field offices and the Headquarters staff offices for matrix support in staff areas and, thereby, not increase staffing levels to carry out these duties. The reporting assignments for all of the national laboratories will remain unchanged, with the exception of Brookhaven National Laboratory. Brookhaven will report to the Chicago Operations Office.

2. Other Program Secretarial Offices (PSO) will establish a relationship in which they are "customers" of the field office where their work is performed. These offices (that is those program offices not considered the LPSO for that site) will provide broad program policy and direction to the field, budget to support program work, an appropriate share of the landlord costs and retain line accountability for safety and security for PSO specific facilities at a site.

3. Departmental Staff and Support Offices (i.e., non-Program offices) promulgate policy, advise the line and provide matrix support, but rely on LPSOs to issue decisions, directives, orders, etc. directly to the field. Policy guidance will first be reviewed with the Field Management Council (see below) before it is issued. Environment Safety and Health, Intelligence and Counterintelligence continue to conduct independent oversight. The staff offices will have recourse to the Field Management Council to reconcile any issues which may arise.

4. The Operations and Field Office Managers remain responsible for all site program and project execution, contract management and facility operations oversight. As such, the Manager has line responsibility for the safe and secure conduct of all operations at the site. The Manager will be the Department's single voice in regard to all site regulatory matters, will have oversight of all contractor activities, ensure timely communication and reporting to the headquarters organizations, manage institutional health and long term planning, and function as contracting officer for all contracts. All current business management delegations (financial, personnel/labor relations, contracting, etc.) are unchanged. Area offices serve as extensions of the Operations Office and execute only those responsibilities delegated to them.

5. A Field Management Council will be established and will be charged with both corporate program integration and the integration of support activities with line programs. All staff and support office policy and guidance which impact the field will flow through the Council. Once policy is reviewed by the Council, the LPSOs will be responsible and accountable for its proper implementation at their sites.

The Council, chaired by the Deputy Secretary as Chief Operating Officer (COO), shall include the Under Secretary of Energy, the Assistant Secretaries for Defense Programs and Environmental Management, and the Director of the Office of Science. Two other members, one from among the other offices with programs in the field offices, and the other, a field manager, will serve in rotational positions. Other existing Councils, such as the Safety Council, will coordinate with the Field Management Council and will make recommendations to it as appropriate.

6. The current Office of Field Management shall be renamed the Office of Field Integration and will report directly to the COO and serve as the secretariat to the Field Management Council. It will also provide a wide variety of facilitation and integration service while ensuring that field and operational concerns are considered during policy discussions. It will also participate in the selection and performance evaluation processes for field Senior Executive Service members. No transfers of Field Management employees to other organizations are planned at this time.

In the structure envisioned, there are four focal points in the line:

- ! The Office of the Secretary and the Chief Operating Officer,
- ! The PSOs for broad program strategy, policy definition, evaluation and oversight (those PSOs which are also assigned responsibility for one or more field locations also have site-wide Integrated Safety Management, business management and site service responsibilities);
- ! The Operations Offices for programmatic execution to implement the goals of the PSOs, site-wide integration, resource requirements determination, contract management and oversight to ensure safe and secure operations; and,
- ! The contractors for day-to-day execution, management and operation of assigned activities and accountability for safe and secure operations.

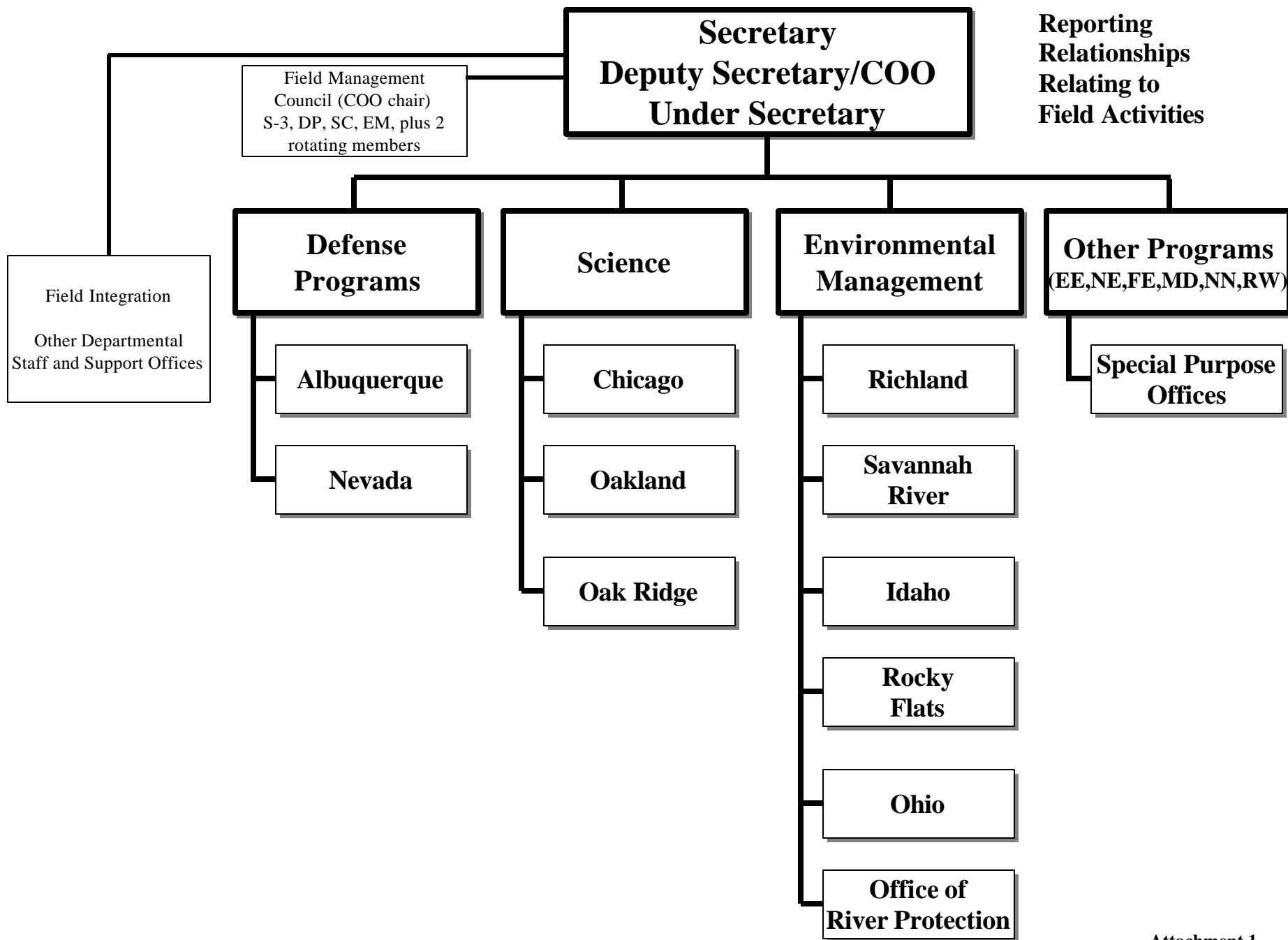
The Deputy Secretary, as Chief Operating Officer, will be responsible for the implementation of these decisions. The restructuring will be effective May 1, 1999, except for any actions subject to statutory bargaining processes.

This new structure requires a change by many of the Department's management in their relations between headquarters and field offices. The success of this restructuring will be dependent upon the full cooperation of all personnel in the Department, and especially upon the example set by management personnel. The exercise of leadership and discipline will be key as new roles and responsibilities are adopted. Finally, as always during periods of change, effective relationships and an attitude committed to making it work is essential. I trust that you will join me in assuring the success of this restructuring.

Attachments

1. Reporting Relationships Relating to Field Activities Chart
2. Management Review Report

cc: The Deputy Secretary
The Under Secretary



**Reporting
Relationships
Relating to
Field Activities**

Department Of Energy Management Review

April 1999

MANAGEMENT REVIEW REPORT

On February 8, 1999, the Secretary of Energy tasked a management review. The charter was to review the Department's headquarters and field relationships and to make recommendations to the Secretary, with emphasis on roles, responsibility, authority, accountability, and reporting. A Team was formed under the leadership of T.J. Glauthier, the Deputy Secretary. Richard Farrell, Director of the Office of Management and Administration and John Wilcynski, the Director of the Office of Field Management served as co-chairmen.

The Management Review encompassed the Department as a whole, including Federal organizations (headquarters and field), and contractors, (both laboratory and industrial/cleanup). The approach taken was to review and assess pertinent prior studies and reports that dealt with organizational issues (see Appendix I) and to conduct interviews with a broad range of individuals (see Appendix II), both internal and external to the Department. The Review Team membership is at Appendix III. The conclusions of this Report deal primarily with Federal roles and responsibility.

FINDINGS

In summary, the Review Team found that, while communication of program requirements is generally clear and the Department's outputs are good, significant problems exist in that:

- roles and responsibility are unclear;
- lines of authority and accountability are not well understood or followed;
- the distinction between headquarters line and staff functions is unclear, and each is operating with autonomy;
- opportunities to achieve economies and efficiencies through program integration are often missed;
- the field is not given sufficient opportunity to be a corporate player; and
- the Department is not adequately addressing the deteriorating infrastructure in the field.

The need to clarify Departmental roles and responsibility was a recurring theme in many of the studies, reports and interviews. This issue manifests itself vertically between headquarters and the field and horizontally among headquarters offices, particularly in the relationships between line and staff organizations. Despite numerous efforts over the years to resolve these issues, none have been fully implemented. As a result, instances of duplicative and overlapping functions remain.

Similarly, lines of authority and accountability are not understood or followed in the Department. For example, many view the current field reporting relationships, the authorities vested with Field Management, and its associated “corporate” reporting of the field as confusing. Many external reviews of the Department have questioned this administrative reporting as inconsistent with line management accountability.

Many related issues exist regarding the lack of integration of headquarters staff and support functions and line accountability for implementation during mission execution. Current practice permits headquarters staff and support functions to issue policy, guidance, requirements and direction to all levels of the Department, including contractors. This often results in staff and support functions’ horizontal tasking to the field structure and use of programmatic funds to address unfunded mandates. Further, this practice often results in fragmented implementation, duplication of staff resources and unclear accountability and authority.

The Department has not been able to take advantage of some opportunities to improve mission delivery and save money. This issue results from a lack of integration across program lines that often becomes apparent only at the field level. Specifically, no current corporate mechanism exists to provide the forum to surface and capitalize on program integration issues and opportunities.

Another issue involves the role of the field at the corporate table. Nearly all of our Departmental missions are implemented in the field. Yet many policy, program direction and guidance decisions are made in headquarters without benefit of the field perspective.

Finally, the Department is failing to effectively address the deteriorating infrastructure in the field. Our ability to continue to succeed in delivering on our mission responsibilities depends, in large measure, on having facilities, utilities and other infrastructure elements capable of supporting mission needs.

In order to address these issues, changes are needed in the communications and coordination processes of the Department, in the organizational structure, in issue resolution and decision making and in line accountability. The first of these changes would be to adopt a Lead Program Secretarial Office (LPSO) concept, with direct reporting of the field, and place the responsibility and accountability in those Offices for: 1) all aspects of the institutional health and long term planning at specified sites; 2) site wide environment, safety, and health, safeguards and security; and, 3) the implementation of headquarters staff and support policies. Second, a forum should be put in place for reviewing and coordinating corporate policy ensuring that staff and support policy is carried out, consistently, through the line. Third, the growth in headquarters staff positions experienced in previous structures can be avoided by clarifying the roles, responsibility, authority and accountability at each level of the Department’s organizational structure and capitalizing on existing staff.

RECOMMENDATION

1. The Department should adopt a Lead Program Secretarial Office (LPSO) concept for field office reporting. The eleven operations and field offices, ten of which currently report programmatically to the line programs and corporately to the Office of Field Management, would report directly to Lead Program Secretarial Offices as follows:

Defense Programs	Albuquerque Operations Office Nevada Operations Office
Science	Chicago Operations Office Oakland Operations Office Oak Ridge Operations Office
Environmental Management	Richland Operations Office Savannah River Operations Office Idaho Operations Office Rocky Flats Field Office Ohio Field Office Office of River Protection

The Special Purpose Offices currently assigned to the following offices will continue to report to them: Civilian Radioactive Waste Management; Energy Efficiency and Renewable Resources; Fossil Energy and Nuclear Energy, Science, and Technology. Therefore, the designated LPSOs are Defense Programs, Office of Science, and Environmental Management, as well as Civilian Radioactive Waste Management, Fossil Energy, Energy Efficiency and Renewable Energy, and Nuclear Energy, Science, and Technology for their currently assigned Special Purpose Offices.

Each of the Operations Office Managers (defined as the ten offices currently reporting to Field Management, including any subsidiary area or site offices which report to them; the Office of River Protection currently reports to Environmental Management) shall report directly to the LPSO. The situation at the Hanford site is of concern to the Team. Congressional language specifies that the Office of River Protection report directly to Environmental Management. Having the Richland Operations Office and the Office of River Protection reporting independently may cause integration problems at the Hanford site. The managers of both offices must work closely to integrate their activities and support the institutional well being of the site. Environmental Management, as the LPSO, should endeavor to aid that integration.

Defense Programs, Environmental Management, and Science will establish a Principal Deputy for Operations, responsible for assisting the Secretarial Officer in managing the additional operational functions and activities. Ideally, this position should be filled by an individual with Department of Energy field experience.

The LPSOs, in addition to their program responsibilities at their sites, will ensure that sufficient resources, both in funding and in Federal staff, are provided to accomplish all assigned missions at their assigned offices in an effective, safe and secure manner. The LPSO will ensure that the operations office provides necessary landlord services to other programmatic customers, will evaluate site-wide performance, and will be the corporate representative for all operations offices under its purview. In that role, the LPSO will ensure that the staff and support office policies, guidance and requests are coordinated, have taken into account operational concerns and that they are adequately funded. The LPSO serves as the channel for communicating all policies, guidance, direction or data requests from staff and support offices and is accountable for their implementation, or in the case of data requests, timely responses. The LPSO will consult with other programs, as appropriate, in determining overall performance of the office and the office manager's appraisal. Any issues with other PSOs or with staff and support offices will be resolved at the lowest level possible and will be elevated to the Field Management Council as appropriate.

The reporting assignments for the national laboratories will remain as they currently are, with the exception of Brookhaven National Laboratory. Brookhaven will report to the Chicago Operations Office. This action will recognize: first, the successful efforts by the Office of Science to rectify the problems which existed previously at Brookhaven; and second, the desirability of using the same approach for managing Brookhaven as is used to manage the other national laboratories.

The revised reporting relationship for the Operations Offices recommended in this Report recognizes that, generally, program direction for the national laboratories will come from the PSO which is tasking the laboratory. While considered by the Management Review team, formal reassignments of one or more of the national laboratories to another operations office or along programmatic lines would cause unwarranted disruption for little programmatic gain. The clarification of roles and responsibilities, authority, and accountability will sufficiently resolve prior concerns. The proposal leaves in place the current Cognizant Secretarial Office's responsibilities for laboratory management, including such activities as institutional planning.

In the structure envisioned, there are four focal points in the Department's line management:

- The Office of the Secretary and the Chief Operating Officer;
- The PSO for broad program strategy, policy definition, evaluation and oversight (those PSOs which are also assigned responsibility for one or more field locations also have site wide Integrated Safety Management (ISM), safeguards and security, business management and site services responsibilities);
- The Operations Offices for programmatic execution to implement the goals of the PSOs, site-wide integration, resource requirements determination, contract management and oversight to ensure safe and secure operations; and,
- The contractors for day-to-day execution, management and operation of assigned activities and accountability for safe and secure operations.

The LPSO will be responsible for the institutional health and long-term planning at assigned sites, working with the Chief Financial Officer on the allocation of costs for landlord activities, and facilitate overall site integration and operations. Recognizing that most field sites are multi-program and that other programs are “customers” at the sites, the LPSOs have overall line management accountability for site-wide environment, safety and health, for safeguards and security and for the implementation/integration of staff support functions. The LPSOs are responsible for site-wide operational oversight on behalf of all programs having work performed at their sites. This should be accomplished using performance measures and assessment protocols similar to those developed and successfully implemented by the Business Management Oversight Program. Additionally, there should be continued utilization and improvement of performance-based contract management approaches developed as part of contract reform.

Other non-lead program offices are viewed as customers of the operations office and, where the programs are facility based, retain line accountability for facility specific safety. Using Savannah River to exemplify the customer relationships as regards line safety, Environmental Management is the LPSO with responsibilities as described. For the tritium facilities, Defense Programs is the Program Secretarial Office (PSO) and Savannah River, through the Albuquerque Operations Office, receives and implements Defense Program’s program direction in a “customer” relationship. These program lines are clear and working. While Environmental Management has line safety responsibility from a site-wide perspective, Defense Programs retains tritium facility specific line safety accountability.

While this LPSO approach resembles the “SEN-6” structure instituted by Secretary Watkins, there are several critical differences that will mitigate the problems previously encountered. All staff or crosscut policy, guidance, or other direction to the field will be the responsibility of, and flow through, the LPSO. This channeling of communication and integration of guidance in the headquarters will clarify lines of accountability for implementation. The matrix of responsibilities for program direction and for management of other functions, such as safeguards and security, environment, safety and health, business practices, and personnel management, will come together at the line manager, the LPSO. This will prevent the imposition of unfunded mandates from outside the purview of the line managers, who are responsible for overall performance.

The growth in headquarters staff and support positions experienced under SEN-6 will be avoided by clarifying the roles, responsibility, authority and accountability at each level of the Department’s organizational structure. The LPSOs will be taking responsibility for overall operations at their respective operations offices, and the implementation of streamlined practices such as the Business Management Oversight Program and Integrated Safety Management (ISM).

LPSOs shall rely on these field offices and headquarters staff offices for matrix support in staff areas and thereby, not increase staffing levels to carry out these duties. The staff and support offices in headquarters and the field support the line offices in accomplishment of the Department’s missions. The success of the proposed structure is tied to the effective use of these staff and support offices. Given the multi-program nature of almost all operations offices, it is critical that policies and guidance issued to the field minimize multiple approaches or conflicting methodologies.

The Field Management Council will be created as a forum for Departmental integration, policy review, coordination, decision making and issue resolution. A continuing theme during the review has been the need for a mechanism to: bring discipline and accountability to the Department's processes; facilitate integration of crosscutting program matters, staff policy, and clarity of line versus staff roles; and resolve issues in a timely manner. Policy and implementation plans promulgated by the staff and support offices will be integrated in the Field Management Council and communicated by the LPSOs for implementation. An Office of Field Integration serves as the secretariat to the Field Management Council.

In summary, we are suggesting a clear division of oversight responsibilities between headquarters staff and support offices, LPSOs and PSOs, recognizing that every PSO organization should not develop its own unique business or operational processes. At the same time, staff and support offices must recognize their inherent responsibility to support the line and be flexible in the specific applications of their policies. The Field Management Council, supported by Field Integration, provides a mechanism to integrate policy and programs, resolve issues and to ensure that PSOs diverge from corporate business and operational management approaches only when there are sound reasons why their processes should be unique.

2. Other Program Secretarial Offices (PSO) will be customers of the operations office where their work is being performed. The role of a PSO is to provide broad program policy, guidance and oversight, as well as shaping and guiding the program areas by providing strategic management, budget guidance, policy guidance and program direction. These PSOs will provide program direction to the field, funds and manpower to support program work, and an appropriate share of the landlord costs. As mentioned above, where the programs are facility based, they will retain line responsibility for safe and secure operations in the specific facilities that they are using on a site.

Again, using Savannah River as an example, the Operations Office Manager is the line manager accountable for all site safety performance, with Environmental Management in the line for site wide safety and Defense Programs for facility specific safety at the tritium facility. These customer program offices will have recourse to the Field Management Council to reconcile any issues which may arise.

The PSOs should seek the inputs and active participation of the field in the development of program policy and in planning and budgeting for the execution of the program. They should also establish program specifications and performance measures in conjunction with the field and continue the efforts started under contract reform with respect to performance based incentive contracting. Generally, performance measures and assessment protocols similar to those developed and successfully implemented by the Business Management Oversight Program should be used as a model.

Currently, the PSOs are Civilian Radioactive Waste Management, Fissile Materials Disposition, Nonproliferation and National Security, Nuclear Energy, Science, and Technology, as well as Defense Programs, Environmental Management, Science, Energy Efficiency and Renewable Energy, and Fossil Energy for work at their own sites and when they have work performed at sites where they are not the LPSO.

3. Departmental staff and support offices (i.e., non-Program offices) promulgate policy, advise the line and provide matrix support, but rely on LPSOs to issue decisions, directives, orders, etc. to the field. These Offices support the accomplishment of the Department's missions and are the source of policy, technical expertise, and, in some cases, independent oversight (Environment, Safety and Health, Intelligence and Counter Intelligence) in their respective specialties. Staff and support offices advise the line and provide matrix support to aid in the accomplishment of the Department's programs and implementation of corporate policies, but rely on the LPSOs to issue decisions, directives, orders, etc. directly to the field. All direction to the field will be issued through the LPSOs, the line organizations responsible for implementing it. Policy guidance will first be reviewed with the Field Management Council before being issued. Further refinement of the guidance by the LPSOs will be discouraged and will require coordination through the Field Management Council. This will ensure consistency in approach while maintaining clear lines of accountability. It will also provide the opportunity to ensure that the necessary funding to accomplish the tasking is available. The staff and support offices will have recourse to the Field Management Council to reconcile any issues which may arise.

The Offices of General Counsel, Chief Financial Officer, Procurement and Assistance Management, and Human Resources Management continue a "dotted line" relationship with the counterpart field staff offices. However, any policy, guidance or tasking will go through the LPSOs. Recent examples of items that would go through the LPSOs would be the Work Force 21 Plans, the Y2K effort, and the recent Office of Environment, Safety, and Health request for workers' compensation claims data for illnesses and diseases.

Departmental staff and support offices include the Chief Financial Officer; Congressional and Intergovernmental Affairs; Intelligence and Counterintelligence (both of which retain responsibility and accountability for oversight at the headquarters and operate under the special responsibilities directed by the President and the Secretary); Departmental Representative to the Defense Nuclear Facilities Safety Board; Economic Impact and Diversity; Environment, Safety and Health; Field Integration; General Counsel; Hearings and Appeals; International Affairs; Management and Administration; Nonproliferation and National Security (Safeguards and Security); Nuclear Energy, Science, and Technology (reactor operations); Policy; Privatization and Contract Reform; Secretary of Energy Advisory Board; and, Worker and Community Transition. Where counterpart organizations to these functions exist in the field, managers must assure clarity of these roles and responsibility relating to the line.

4. The Operations and Field Office Managers remain responsible for all site program and project execution, contract management and facility operations oversight. As such, on behalf of the LPSO, the Manager has line responsibility for safe and secure conduct of all operations at the site. The Manager continues to be the Department's single voice in regard to all site regulatory matters, will have oversight of all contractor activities, ensure timely communication and reporting to the headquarters organizations, manage institutional health and long term planning, and function as contracting officer and fee determining official for all contracts. All current business management delegations (financial, personnel/labor relations, contracting, etc.) are unchanged.

The Operations Offices will continue to view their program offices as “customers” and work corporate issues with the LPSO. They also perform field level program integration functions and tasks as delegated by the LPSO and PSOs. In the areas of scientific research (national laboratories), the Manager provides programmatic support only as requested by the PSO. Staff support is provided by the Operations Office. They also work closely with the LPSO and the other PSOs in developing budgets and planning the execution of assigned tasks, including providing staff support to the LPSO for the review and/or execution of non-programmatic policy and guidance. They also provide a single voice to the State and local governments, regulators, media, stakeholders and the public, representing the Department, its policies, programs, initiatives and activities. Issue resolution should occur at the lowest possible level with the field office dealing directly with the involved program or headquarters staff office; if it cannot be resolved, it is raised to the LPSO, and if unresolved at that level, to the Field Management Council.

Area offices serve as staff offices to the Operations Office to which they are assigned and execute only those responsibilities delegated to them by the Operations Office Manager. The reporting assignments for all Area Offices (and other subsidiary field locations), other than the Brookhaven Group, will remain as they currently are. Additionally, the designation of all these subsidiary offices will remain the same. While considered by the Management Review Team, any other changes to these subsidiary offices would cause unwarranted disruption for little programmatic gain.

5. A Field Management Council will be established and will be charged with both corporate program integration and the integration of support activities with line programs. The Council, chaired by the Deputy Secretary as Chief Operating Officer (COO), shall include the Under Secretary of Energy, the Assistant Secretaries for Defense Programs and Environmental Management, and the Director of the Office of Science. A fourth program member, serving on a rotating basis, will be selected from among the other Offices with programs in the field offices, including Civilian Radioactive Waste Management, Energy Efficiency and Renewable Resources, Fissile Materials Disposition, Fossil Energy, Nonproliferation and National Security, and Nuclear Energy, Science, and Technology. Finally, there will be a fifth member, a field office manager, also a rotational position.

It is expected that the Council members will act as corporate resources and will be responsible for ensuring consistency of policy, priorities, direction and execution, and contributing field execution/operational considerations to policy and program development. The Council will ensure consistency of operational guidance prior to field issuance, and can serve as a conflict resolution forum between line and staff, and among programs. It will assist in limiting and controlling unfunded mandates, minimizing multiple approaches in non-programmatic operations, and will aid the consistent interpretation of policy across the complex. All non-programmatic policy and guidance which impact the field will flow through the Council. Once policy is reviewed by the Council, the LPSOs will be responsible and accountable for its proper implementation at their sites. This integration at the headquarters level will help resolve problems of multiple guidance and will control the horizontal tasking currently done by staff and support offices.

The Council will also provide a forum for integration of program issues which impact field activities. Other existing Councils, such as the Safety Council, will coordinate with the Field Management Council and will make recommendations to it as appropriate.

6. The current Office of Field Management shall be renamed the Office of Field Integration and will report directly to the COO and serve as the secretariat to the Field Management Council. Field Integration will be responsible for: facilitating integration of departmental staff policy and guidance; assisting in the integration of corporate programs across organizational lines; serving as a corporate ombudsman; facilitating issue resolution and decision making at both the headquarters and field levels; ensuring that field and operational concerns are considered during policy discussions; facilitating communications through, out of, and into headquarters, including supporting quarterly field managers meetings; participating in the selection and performance evaluation of field Senior Executive Service members; supporting consistent implementation of Departmental initiatives; and Departmental advocate and focal point for the Facilities Representative Program.

In addition, for now, it will continue to perform the following core corporate staff functions:

- Life Cycle Asset Management, in general, with emphasis on:
 - Project Management
 - Utilities Management
 - Real Estate
 - Infrastructure/Maintenance

No transfers of employees to other organizations are planned.

CONCLUDING THOUGHTS

As can be deduced from this report, the Review Team generally acknowledges and advocates the management principles expressed in the Laboratory Operations Board report, the roles, requirements, authority and accountability in the Chiles report, Strategic Alignment Initiative Plan #13, and the Defense Programs 120-Day Study. These proposed changes will clarify roles, responsibility, authority, and accountability and permit management approaches tailored to program mission. It is recognized that there are still outstanding issues being worked which are not yet resolved, such as safeguards and security and environment, safety and health technical issues, but this structure will aid in their resolution.

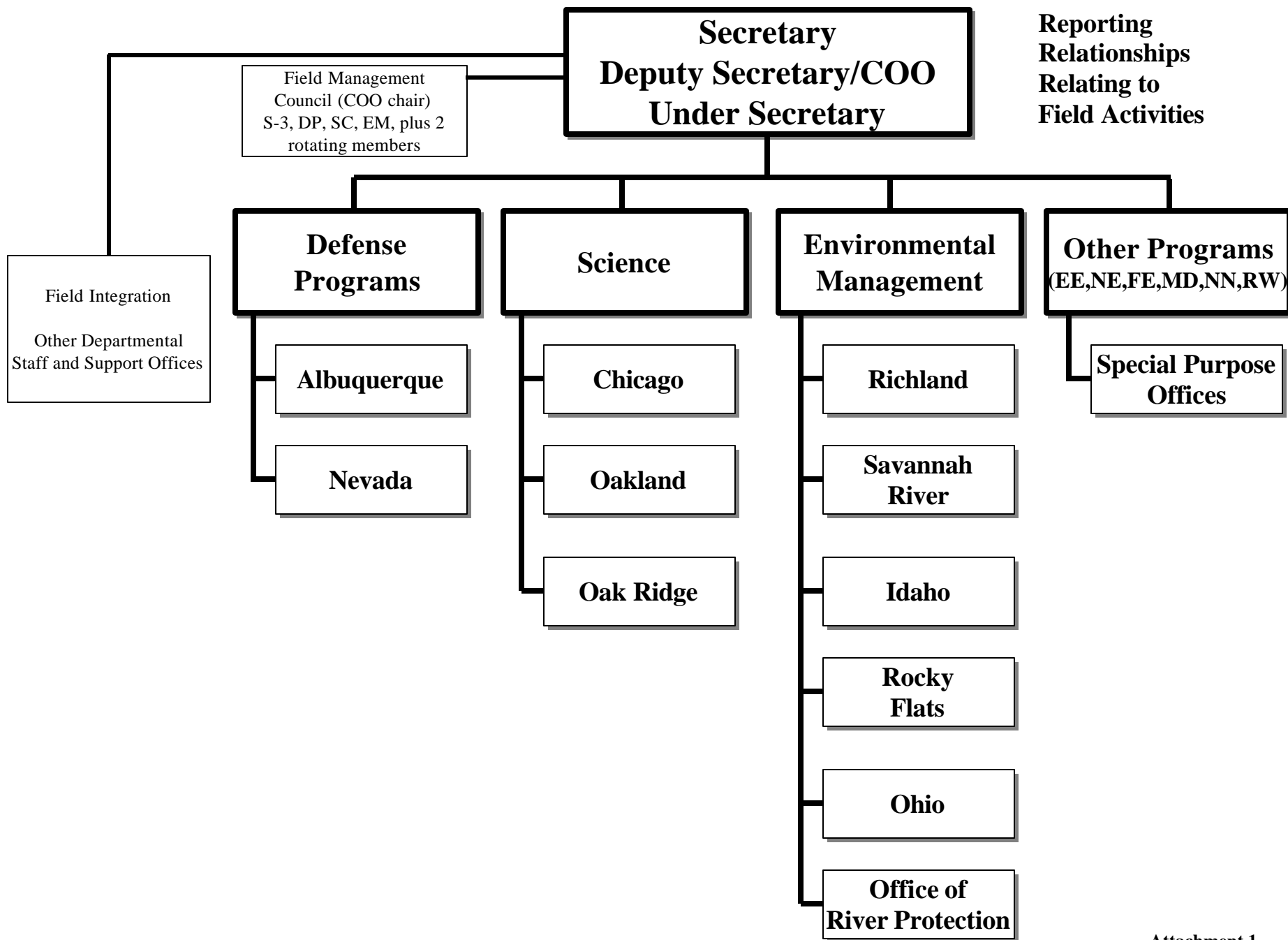
The success of the proposed restructuring is dependent upon a change in expectations and approach. Key will be the exercise of leadership and discipline as new roles and responsibilities are adopted. Finally, as always during periods of change, effective relationships and an attitude committed to making it work are essential.

Attachments

1. Reporting Relationships Relating to Field Activities
2. Conduct of Operations Chart

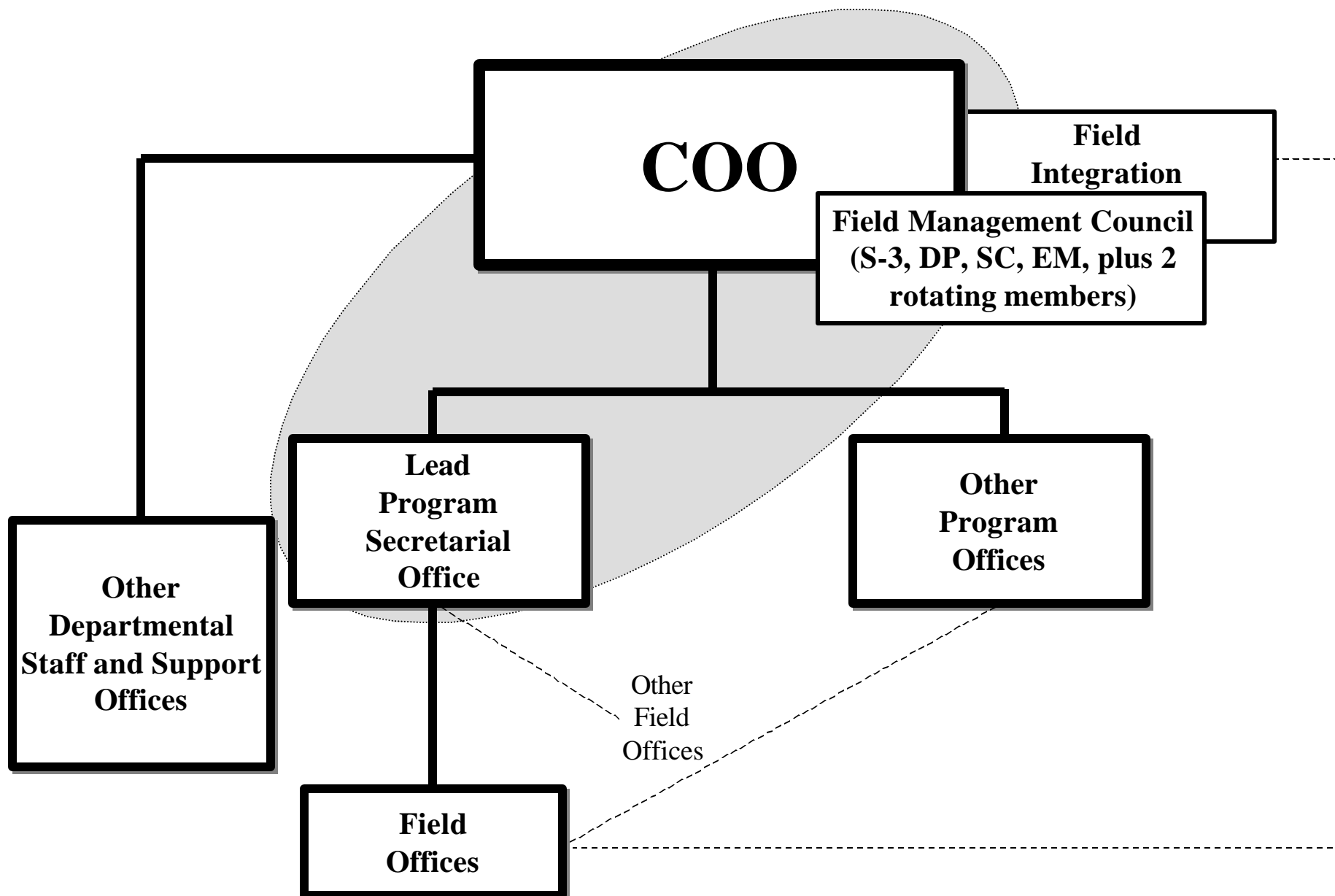
Appendices

- I. List of Reports and Studies
- II. List of Interviewees
- III. Team Participants



Reporting Relationships
Relating to
Field Activities

Concept of Operations



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MANAGEMENT REVIEW INTERVIEWS

Internal

Dr. Ernest Moniz, Undersecretary
Martha Krebs/Jim Decker, Science
Vic Reis, Defense Programs
Jim Owendoff, Environmental Management
Robert Gee/Bob Kripowitz, Fossil Energy
Dan Reicher, Energy Efficiency and Renewable Energy
David Michaels/Richard Kiy/Peter Brush, Environment, Safety and Health
William Magwood, Nuclear Energy
Lake Barrett, Civilian Radioactive Waste Management
Skila Harris, Secretary of Energy Advisory Board
John Angell, Congressional and Intergovernmental Affairs
Mike Telson, Chief Financial Officer
Mary Ann Sullivan, General Counsel
Walter Howes, PC
Greg Friedman, Inspector General
Sarah Summerville, Economic Impact and Diversity
Ellen Livingston, Senior Policy Advisor
Joan Rohfling, Senior Policy Advisor
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Steve Richardson, Deputy Manager, Oak Ridge
Greg Rudy, Savannah River
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John McTague, Co-chair, Laboratory Operations Board
John Conway/A. J. Eggenberger/Richard DiNunno, Defense Nuclear Facilities Safety Board
Gary Benethum, Office of Management and Budget
Vic Rezendes, General Accounting Office
John Tuck, former Under Secretary

National Laboratories

Robert Kuckuck, Deputy Director, Operations, Lawrence Livermore National Laboratory
Bill Madia, Director, Pacific Northwest National Laboratory
Chuck Shank, Director, Lawrence Berkeley National Laboratory
Alvin Trivelpiece, Director, Oak Ridge National Laboratory
Richard Truly, Director, National Renewable Energy Laboratory
Paul Robinson, Director, Sandia National Laboratory
Bob Van Ness, Chairman, National Laboratory Improvement Council

Industrial/Clean-up Contractors

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John Denson, Lockheed-Martin, Idaho
Ron Hanson, Fluor-Daniel, Richland
Don Pearman, Bechtel Corporate
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